



FAIRTRADE LABELLING ORGANIZATIONS INTERNATIONAL

GENERIC FAIRTRADE STANDARDS

FOR

Contract Production

Current version: 15.01.2010

**Superseded previous version:
15.08.2009**

Period for stakeholders' comments and enquiries on this new version:
Not applicable

Contact for comments:
standards@fairtrade.net

For further information and standards downloads:
www.fairtrade.net/standards.html

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0 General requirements and guidance

0.1 Purpose

Fairtrade (FT) is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for small producers in the South, who have been economically disadvantaged or marginalized by the conventional trading system. If fair access to markets under better trade conditions would help them to overcome barriers to development and empowerment, they may join Fairtrade.

Small producers that are unorganized or organized into non formal structures can participate in Fairtrade if they have a partnership with an intermediary organization (exporter, processor, private enterprise, NGO or other) that is able and willing to assist them to become organized and to contribute to the environmentally sustainable social and economic development of the small producers and of their communities.

This intermediary organization, called the Promoting Body, commits to and is responsible for supporting the producers to organize into autonomous Producer Organizations that are over time able to comply with the Generic Fairtrade Standards for Small Producer Organizations.

As a first step, the intention of the standard is for Producer Organizations to be developed. This will allow the producers to be integrated in a development process and to be on a more equal relationship with their contracting partner. Through the Producer Organization, producers are better able to negotiate the terms of trade and their interests can be better represented.

As a second step, the standards intend that this Producer Organization develops its capacities and becomes stronger over time, and will become eligible to be certified against the Generic Fairtrade Standards for Small Producer Organizations.

0.2 Scope

These standards apply exclusively to all Promoting Bodies and registered producers producing **Basmati rice or cotton in India and cotton and dried fruit in Pakistan**.

Fairtrade also publishes product standards, which complement and add specific requirements to these standards. The applicable product standards must also be complied with and should be read in conjunction with the Generic Trade Standards (GTS), which also contains requirements applicable to producers.

0.3 Structure

These standards are composed of **requirements** against which Promoting Bodies and registered producers will be inspected. These requirements are divided into

- **general requirements** which Promoting Bodies and registered producers have to meet from the moment they join Fairtrade
- **minimum requirements**, which must be met before initial certification, and
- **progress requirements**, against which registered producers and Promoting Bodies must demonstrate compliance over time and by means of continuous improvement. For some progress requirements, the degree of progress required from each Producer Organization and Promoting Body depends on the level of economic or other benefits it receives from Fairtrade and on its specific context.

These standards are also divided into 2 parts:

- **Part A** contains the requirements (both minimum and progress) that the Promoting Body must comply with, and
- **Part B** contains the requirements (both minimum and progress) that the registered producers and Producer Organization(s) must comply with, with support from and under the responsibility of the Promoting Body.

Requirements for workers in the context of these standards are included in part B4 on “Labour Conditions”. The Producer Organization is not required to ensure benefits to workers that go beyond the level of benefits to the registered producers.

Each section of the standard begins with an introductory statement that describes the objective of that section. Then the standard clause itself is presented, setting out the requirements in exact terms. Below each standard the objectives of each clause and guidance for interpretation are provided. These explanations are given in italics.

0.4 References

When setting the Fairtrade standards, FLO follows certain **internationally recognized standards and conventions**, particularly those of the International Labour Organization (ILO), the most widely recognized international labour standards. In this document the requirements are worded in their own terms but, where applicable, references are given to other external standards that FLO follows.

FLO also requires that registered producers and Promoting Bodies always abide by **national legislation** unless that legislation sets standards which are below the referenced internationally recognized standards and conventions, in which case the international standards prevail. However, where national legislation sets higher requirements on a specific issue than these standards then that national legislation shall apply. The same applies to regional and sector-specific practices.

0.5 Definitions

For the purpose of this standard, the following terms and definitions apply:

Small Producers:

Small producers are understood as those that are not structurally dependent on permanent hired labour and that are managing their farm mainly with their own and their family’s labour.

Contract Production Project:

The Contract Production Project represents the partnership between the Promoting Body and the Producer Organization(s). In a given context there can be more than one Producer Organization working together with the same Promoting Body.

The Promoting Body (PB):

The Promoting Body is the intermediary organization that either contracts and/or supports small producers in producing and marketing one or more crops and that is responsible for supporting these producers to get organised. The Promoting Body can be either a trader (exporter / processor), or non-trader (NGO or private) which is a legal entity forming a partnership with the producers it contracts and/or supports, i.e. the registered producers. The Promoting Body is the holder of the Fairtrade certificate and is responsible for supporting the registered producers in complying with these standards.

Registered producers:

Registered producers refer to all the small producers contracted and/or supported by the Promoting Body and participating in Fairtrade. The registered producers form the members of the Producer Organization(s).

Producer Organization (PO):

The Producer Organization is a group of small producers contracted and/or supported by the Promoting Body, the registered producers, and whose purpose is to enable the registered producers to democratically decide on the Fairtrade Premium use and through which they can negotiate with the Promoting Body over terms of trade. The Producer Organization is expected to become stronger over time and become an autonomous small producer's organization which can in time comply with the Generic Fairtrade Standards for Small Producers' Organizations.

Producer Executive Body (PEB):

The Producer Executive Body comprises of elected representatives of all the registered producers. This body is the intermediary between the registered producers and the Promoting Body until the Producer Organization can adequately represent the producers' interest and manage the Fairtrade Premium money. Once the Producer Organization has developed these capacities, the Producer Executive Body can, if so wished, assume the function of a structure similar to an executive committee.

0.6 Implementation

When undertaking inspections and certification decisions the certification body will closely follow the exact wording of the standard and the objectives given. Technical **compliance criteria** for the standards are developed by the certification body. In cases where there is doubt over whether a Promoting Body or Producer Organization has correctly applied a requirement, the certification body will make its assessment according to the objectives set out in these standards. As FLO's main aim is to enable disadvantaged producers to access the benefits of the Fairtrade market, it is not the intention of these standards to prevent the certification of producers because of their lack of capacity at the start of their certification process. However, some aspects of the standards are fundamental to ensuring the rights of the members and workers of the Producer Organization as well as those of buyers and consumers.

The FLO Standards Unit provides Explanatory Documents to all stakeholders to explain the intent and requirements of the standard and to guide to full understanding of these. The Explanatory Documents however are not part of the Standards, and neither do they replace them. Producers will only be audited on the Standard, not on Explanatory Documents.

0.7 Application

This version of the Generic Fairtrade Standards for Contract Production supersedes all previous versions. It becomes **applicable from January 15th, 2010**. For Contract Production Projects certified against the previous version, the latest deadline for compliance with all requirements, except the new progress requirements, is April 15th, 2010.

Indicated deadlines in the new progress requirements refer to timelines after first certification against this new version of the standards.

0.8 Monitoring of amendments

Fairtrade Labelling Organizations International (FLO) e.V. reserves the right to amend Fairtrade Standards in accordance with FLO's Standard Operating Procedures (http://www.fairtrade.net/setting_the_standards.html). Requirements of Fairtrade Standards may be added, deleted, or otherwise modified. Those who have to meet Fairtrade Standards are required to monitor pending and finalized revisions on FLO's website.

Fairtrade Certification ensures the compliance with Fairtrade Standards. Revision of Fairtrade Standards may lead to a change in the requirements of Fairtrade Certification. Those who wish to be certified or have already undergone certification are required to monitor pending and finalized certification policies and compliance criteria on FLO-CERT's website <http://www.flo-cert.net>.

Part A: Requirements applicable to the Promoting Bodies

A1. Social development

A1.1 Fairtrade adds to development

Intent

The beneficiaries of Fairtrade within this standard are the registered producers (and their families) contracted and/or supported by the Promoting Body.

Fairtrade should lead to the demonstrable empowerment and environmentally sustainable social and economical development of the registered producers, and through them of the workers employed by the producers or their organization, and the surrounding community.

A1.1.1 Minimum requirements

A1.1.1.1 The Promoting Body carries out a needs assessment of how Fairtrade benefits (including the Fairtrade Premium) can promote the environmentally sustainable social and economical development of the small producers.

The Promoting Body (PB) is expected to support the registered producers to create a development plan as stated in the following standards A1.1.2.1 and A1.1.2.2.

As a first step the PB must carry out a needs assessment, identifying the social, economic and environmental development needs of the registered producers (and their families), and considering how Fairtrade benefits will contribute to the development of the registered producers and their communities.

Benefits of worker employed by the registered producers are addressed in an employment policy which is part of the development plan of the Producer Organization. The framework of an employment policy is described in B4.3. Direct Fairtrade benefits include the Fairtrade Premium and possible further revenues such as differentials between costs of production, organizational costs and the received Fairtrade Minimum Price or negotiated market price (where applicable).

What is considered as a Fairtrade benefit (apart from the Fairtrade Premium and possible price differentials) also depends on the assessment of the Producer Organization.

A1.1.1.2 The Promoting Body demonstrates its willingness and capability to assist the registered producers in reaching a level of organization over time that is able to comply with the existing Generic Fairtrade Standards for Small Producers' Organizations.

The Promoting Body(PB) should have at least one year previous experience in working with small producers and supporting them to get organized. It should also demonstrate that it has the sufficient resources to provide the necessary capacity building services and trainings to support the formation of Producer Organizations. The PB is also expected to demonstrate it has the relevant capacity building expertise or commits to provide such expertise from external experts.

A written statement can support the PB in demonstrating its willingness to support the registered producers in complying overtime with the Generic Fairtrade Standards for Small Producers' Organizations.

Corporate Social Responsibility and adherence to Fairtrade's principles should be part of the PB's mission or policy statement(s). In addition to its economic and financial goals, the PB is expected to acknowledge and abide by its social responsibilities and to specifically aim at enhancing the development and empowerment of the registered producers it contracts and/or supports as well as protecting the environment.

A1.1.2 Progress requirements

A1.1.2.1 Within one year of certification, the Promoting Body develops together with the registered producers an Organizational Development Plan (ODP). The ODP clearly indicates the timescale and activities required to support the Producer Organization and how the benefits of Fairtrade (including

the Fairtrade Premium) are used to promote the environmentally sustainable social and economical development of the registered producers. This plan is based on democratic and transparent decision-making by the registered producers.

Based on the results of the needs assessment (see A1.1.1.1) the Promoting Body must collaborate with the registered producers in creating and implementing an ODP within one year of certification.

At a minimum, the ODP must contain:

- *the Fairtrade Premium plan (once Fairtrade Premium is available, see B2.2.2.3)*
- *the steps, timelines and activities for the registered producers to become organised and over-time become compliant with the Generic Fairtrade Standards for Small Producers' Organization s.*
- *The environmental plan (see section A3).*
- *The employment policy (see section B4.3)*

The ODP must be consulted upon with the registered producers during the drafting process. The level of involvement of registered producers is expected to improve over time. The development plan is explained and discussed with the registered producers and agreed by the Producer Executive Body (PEB) and revised on an annual basis.

The Promoting Body should not impose its views in the development of the ODP but should facilitate the process and guide, assist and support the PEB and registered producers, by sharing its knowledge, experience and connections.

A1.1.2.2 Within one year of certification, the Promoting Body puts in place an Internal Control System in order to monitor the implementation of the standards and of the Organizational Development Plan (ODP).

The Promoting Body is held overall accountable for the implementation and monitoring of these standards, including the ODP.

As a minimum, the Promoting Body should appoint a person responsible for Fairtrade matters (a Fairtrade officer) and in particular for the overall coordination of Fairtrade programs, projects and implementation of standards, and for ensuring all the necessary communications between all parties.

A1.1.2.3 The Promoting Body is responsible for supporting the producers to meet the targets defined in the Organizational Development Plan (ODP).

The Promoting Body ensures the establishment of one or more Producer Organizations and helps these organizations formalise their internal systems for democratic participation of the registered producers, in a transparent manner.

After 3 years of certification or upon request of the registered producers, in the event that the registered producers do not meet the agreed targets defined in the ODP, the Promoting Body must contract an independent third party (person or organization) to support the registered producer in their organization, according to the ODP.

The Promoting Body (PB) provides the necessary capacity building, training, resources and other support for the registered producers to meet the targets defined in the ODP. The PB is expected to support the registered producers to organise themselves into one or more Producer Organization(s). This organization should be strengthened overtime, in accordance with the ODP. Ultimately, this Producer Organization should be able to comply with the Generic Fairtrade Standards for Small Producers' Organizations.

If the PB, Producer Executive Body (PEB) or registered producers do not meet the organizational targets laid down in the ODP, the PB must contract an independent party to help the PEB and the registered producers to meet these targets and to support their capacity-building. This independent party can be an organization or a person. The PB must demonstrate that the selected independent party has the requisite experience and skills to provide this support.

It is expected that the PEB is consulted during the process of contracting this independent party.

A1.2 Fairtrade products are sourced from Small Producers

Intent

The majority of the registered producers are small producers.

A1.2.1 Minimum requirements

A1.2.1.1 For every Fairtrade product bought from registered producers and sold by the Promoting Body, more than 50% of the volume must be produced by small producers

On a yearly average, small producers must provide more than 50% of the volumes sold under Fairtrade conditions, to minimize the risk of dominance of a single or a few producers.

A1.3 Democracy, Participation and Transparency

Intent

Organization is an instrument for the social and economic development of the registered producers and the benefits of Fairtrade must reach the registered producers and their families. Therefore, the registered producers, with support from the Promoting Body, must organize into a Producer Organization with democratic structures and a transparent administration, enabling effective control by its members.

The Promoting Body supports the Producer Organization to improve its structures and practices continuously in order to maximize the participation of members and their sense of ownership of the Producer Organization.

A1.3.1 Minimum requirements

A1.3.1.1 The Promoting Body provides and updates a list of registered producers with whom it has an established relationship of at least one year and who are in compliance with the requirement B1.1.1.1

An updated list of all registered producers participating in Fairtrade has to be available at all times. These registered producers should have at least a one year relationship with the Promoting Body.

The Promoting Body should define (for example in by-laws) and document the process of increasing or decreasing the number of registered producers.

These registered producers have indicated their interest and commitment, in line with the requirement B1.1.1.1.

A1.3.1.2 The Promoting Body ensures with the registered producers the establishment of a structure, the Producer Executive Body (PEB) that allows all the registered producers to take decisions about Fairtrade issues, including the use of the Fairtrade Premium, in a democratic and transparent way and to represent these decisions to the Promoting Body.

The Producer Executive Body (PEB) is comprised of elected representatives of all the registered producers. The Promoting Body (PB) ensures that the PEB is chosen through a democratic process, properly documented.

The PB is responsible for demonstrating that all registered producers are represented. All registered producers are eligible for forming the PEB. The composition of the PEB should reflect the composition of the registered producers and therefore take into account gender, location, community membership, and, where applicable, temporary or migrant workers.

The PEB acts as an intermediary between the registered producers and the PB and represents the interests of the registered producers.

Until a Producer Organization is in place, the PEB works with the PB to develop the Organizational Development Plan and manage the Fairtrade Premium on behalf of the registered producers.

The PEB is intended as a temporary structure. When the registered producers have gained experience in organization and administration, they can form a Producer Organization. The PEB may then result into, for example, an Executive or Premium Committee.

A1.3.1.3 The Promoting Body ensures there is an established communication and feedback system in place between the Promoting Body and the registered producers, ensuring that information and concerns can be shared between all parties in a timely manner.

Established communication channels between the registered producers and the PB have to be in place. It is expected that the Producer Executive Body (PEB) is used for this purpose.

In particular, it is intended that the Promoting Body informs the registered producers, through the Producer Executive Body, on Fairtrade Premium availability and ensures its documentation. The Promoting Body should also ensure that the registered producers are aware of the purpose of the Fairtrade Premium, and of the system by which Fairtrade Premium receipts and expenses are accounted for.

A1.3.2 Progress requirements

A1.3.2.1 If there are non-registered producers interested in participating in Fairtrade, the Promoting Body takes steps to incorporate these producers into the Contract Production Project.

Whenever possible, the Promoting Body takes the necessary measures to include in the Contract Production Project any small producer who express a wish to participate.

The newly registered producers may join an existing Producer Organization, or the Promoting Body may facilitate the setting-up of new Producer Organizations.

If the Promoting Body is unable to incorporate new applicants, it is the Promoting Body's responsibility to justify and prove why it cannot do so.

A1.4 Non Discrimination

Intent

FLO follows the Universal Declaration of Human Rights on ending discrimination. The Declaration rejects “distinction of any kind such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status” (art 2). FLO expects Promoting Bodies to apply these principles.

As the Generic Fairtrade Standards for Contract Production are a voluntary social standard aiming to support the development of its beneficiaries, the “positive discrimination” of small producers or members of disadvantaged or minority groups is intended.

A1.4.1 Minimum requirements

A1.4.1.1 The Promoting Body do not discriminate against or restrict participation in the Fairtrade Contract Production project on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin. There must be no discrimination regarding participation, voting rights, the right to be elected, access to markets, training or technical support, or any other benefit of participation in this scheme.

Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

Where particular forms of discrimination exist within an economic sector or geographical region, the Promoting Body is expected to show progress towards removing them.

Who may become a registered producer or member of an organization, and the process for joining, must be made explicit. These may not include restrictions that discriminate against particular social groups on the grounds listed in the standard.

A1.4.2 Progress requirements

A1.4.2.1 The Promoting Body ensures that programs related to disadvantaged or minority groups within the Producer Organization(s) are in place to improve the social and economic position of those groups, particularly with respect to recruitment, organizational staff, Producer Executive Body membership and Producer Organization membership.

The Promoting Body is expected to show how they directly supports registered producers and Producer Organization members from disadvantaged or minority groups to participate actively in the organization, e.g. by assuming organizational responsibilities.

A2. Economic development

A2.1 Fairtrade Price

Intent

The Fairtrade Minimum Price is a core benefit of the Fairtrade system for producers. Fairtrade Minimum Prices are meant to protect and reduce the risks for producers in the event that market prices fall.

A2.1.1 Minimum requirements

A2.1.1.1 The Promoting Body must pay to the registered producers at least the Fairtrade Minimum Price for the product contracted, where it exists, or the relevant market price or contractually agreed price where no Fairtrade Minimum Price exists.

When the relevant market price (or contractually agreed price) for a product is higher than the Fairtrade Minimum Price, then at least the market price (or contractually agreed price) must be paid.

The Fairtrade Minimum Price of a product, where it exists, is the lowest possible price that the Promoting Body may pay to the registered producer. The Fairtrade Minimum Price is the starting point for price negotiations between the registered producer and the Promoting Body. When the relevant market price (or contractually agreed price) for a product is higher than the Fairtrade Minimum Price, then at least this higher market price (or contractually agreed price) must be paid.

Both parties must keep evidence of the price level and how it was agreed. Either party can demonstrate the market price based on agreements/contracts with other clients/suppliers for a similar time period (if and when required).

The official Fairtrade Minimum Price information is published separately in the Fairtrade Minimum Price and Premium Online Database.

A2.1.1.2 Where the Promoting Body charges for the inputs or services it provides to the registered producers, it must demonstrate that the prices of these inputs and services have been declared in a transparent manner and that the prices are not higher than the normal market price for such inputs and services.

All inputs and services provided and their costs shall be included in the contract (A2.4.1.1).

The responsibility for demonstrating that prices are not higher than the normal market price for such inputs and services rests on the Promoting Body.

A2.2 Fairtrade Premium

Intent

The Fairtrade Premium is an amount paid to the Producer Organization in addition to the payment for their product. The Fairtrade Premium is a tool for development, supporting the Producer Organization to realize its development objectives as laid down in the Organizational Development Plan. It is meant for investment in the social, economic and environmentally-sustainable development of the Producer Organization and its members, and through them, their families, workers and surrounding community. It is for the Producer Organization and its members, through the Producer Executive Body and with support from the Promoting Body, to analyze and evaluate the possible options for spending the Fairtrade Premium. Choices should be made and priorities set depending on the specific situation of the organization and the available amount of Fairtrade Premium. Decisions on the use of the Fairtrade Premium are taken democratically by the registered producers, following principles of transparency and participation. It is the joint responsibility of the Promoting Body and the Producer Organization and its members to take wise and fair decisions.

A2.2.1 Minimum requirements

A2.2.1.1 The Promoting Body is responsible for paying the correct amount of Fairtrade Premium to the Producer Executive Body.

The Promoting Body is responsible for making sure the registered producers, through the Producer Executive Body (PEB), receive the correct amount of Fairtrade Premium.

No discounts are allowed to be made from the Fairtrade Premium and no part may be used by the Promoting Body for facilitating the creation of the Producer Organization(s) or the Producer Executive Body or for trainings or any other use not agreed in the Fairtrade Premium Plan.

The Promoting Body must document the Fairtrade Premium availability and inform the registered producers (through the PEB).

A2.2.1.2 Until the Producer Organization is able to register its own bank account and to manage the Fairtrade Premium in a democratic and transparent manner, the Promoting Body stands trustee of and is responsible for the Fairtrade Premium funds and sets up a separate bank account for receipt of the Fairtrade Premium on behalf of the registered producers.

The Fairtrade Premium is the legal property of the registered producers and the Promoting Body recognizes the registered producers as the rightful recipients of the Fairtrade Premium.

The Producer Organization is expected to gradually take over management of the Fairtrade Premium (see B2.2.2.1).

Until the registered producers organize into a formal organization, the producers might not be legally able to open a bank account. In that case, the Promoting Body opens a separate bank account on behalf of, and in the name of, the registered producers. It is expected that at least one PEB member becomes joint signatory of the Fairtrade Premium account. The Promoting Body accepts in writing that it stands trustee for safe custody of the Fairtrade Premium, until the Producer Organization can show it has systems in place to administer the Fairtrade Premium in a transparent way for the benefit of the members.

A2.2.1.3 The Promoting Body commits in writing to allow the Producer Executive Body to make its decisions in an independent manner. The Promoting Body supports the decision making process of the Producer Executive Body regarding the specific use of the Fairtrade Premium.

The Promoting Body supports the registered producers and PEB to develop proposals on the use of the Fairtrade Premium. It also ensures that decisions are taken by the registered producers in a democratic and transparent manner. The Promoting Body may not interfere in the decision on Fairtrade Premium use.

A2.2.1.4 The Promoting Body ensures that the system of handling Fairtrade Premium funds is audited externally annually.

It is expected that each year the handling of the Fairtrade Premium is externally audited.

A report as well as audited accounts of the Fairtrade Premium use are provided to the PEB and to the registered producers annually (see B1.3.1.1) or upon request at any time.

A2.2.1.5 The Promoting Body supports the Producer Organization to develop proposals on possible use of the Fairtrade Premium and develop the Fairtrade Premium Plan.

Although the decision on use of the Fairtrade Premium is taken by the Producer Executive Body, the Promoting Body should use its knowledge and capacities to support the registered producers in suggesting possible uses for the Fairtrade Premium and developing the Fairtrade Premium Plan.

The Promoting Body can support the PEB in documenting all the requests or suggestions for the use of the Fairtrade Premium and provide guidance on the feasibility and budget of the proposals. If necessary, the Promoting Body makes available the appropriate training for the PEB members to decide on the Fairtrade Premium. Training can include topics such as needs assessment, priority setting, feasibility studies, cost analysis, implementation, monitoring, budgeting and other relevant topics.

A2.2.2 Progress requirements

A2.2.2.1 The Promoting Body ensures that the Producer Executive Body develops the capacity to manage the Fairtrade Premium in a democratic and transparent manner.

The Promoting Body makes available capacity building services so that not merely the decision making process on Fairtrade Premium use but also the processes for implementing these decisions, recording these systematically and providing reports and audited accounts are gradually taken over by the Producer Executive Body and later the Producer Organization(s).

A2.3 Marketing and production support

Intent

The Promoting Body must have access to the logistical, administrative and technical means and expertise to support the marketing of a quality product. The Promoting Body works towards the improvement of its operations to maximise returns to the registered producers.

A2.3.1 Minimum requirements

A2.3.1.1 Logistics and communication equipment needed for marketing of the product are in place, as well as for processing if applicable.

The logistics and equipment in place should be appropriate to successfully commercialize the product in the target market. Examples include internet and telephone facilities, export licenses, processing and storage facilities, transportation. The Promoting Body is allowed to lease some of these services from third parties and subcontractors, as long as traceability can be guaranteed.

A2.3.1.2 The Promoting Body has experience in supporting the registered producers to meet the quality requirements of the target market.

The Promoting Body should have proven experience in working with small producers and supporting them to meet the market requirements such as required volumes, quality and environmental aspects.

It is also expected it supports the producers in obtaining and maintaining any other certification required to sell in the target market. This may be through production and technical assistance, provision of inputs and services, organization of trainings or other suitable means.

A2.3.1.3 The Promoting Body has either experience or closely collaborates with buyers who have experience in the commercialisation of a product.

A2.3.2 Progress requirements

A2.3.2.1 The Promoting Body will continue to develop its business-related operations and maximise the returns to the registered producers.

The Promoting Body makes available processes through which business operations, and especially commercialization is made increasingly more efficient to maximize the economic viability of the business and to improve the returns available to the registered producers.

As a result of constant learning, training of registered producers, PEB members and staff, high commitment and good planning, the PB and Producer Organization will be able to work more efficiently and to maximize the return to the registered producers. This may be through e.g. more Fairtrade sales, more buyers, more benefits to members, reduced cost in operations, increasingly skilled management and staff, the building up of working capital, implementation of quality control, training/education and risk management systems and collaboration or even shared ownership (horizontal integration) with other producer organizations.

A2.3.2.2 The Promoting Body supports and facilitates the Producer Organization(s) having access to and using any market related certificates, which it holds in their name, allowing this organization to access other buyers independently.

Other market certificates (e.g. organic certification) might help the registered producers access new markets or increase their sales. In this case, the Promoting Body facilitates the producers obtaining these certificates through appropriate training, support in compliance with the certificate's requirements, and by facilitating all necessary administrative tasks.

A2.4 Contracts

Intent

Contracts between the registered producers and the Promoting Body set the framework for Fairtrade trade operations. It is important that the contractual obligations are mutually agreed, well documented, and clearly understood by the contracting parties.

A2.4.1 Minimum requirements

A2.4.1.1 Until the Producer Organization is able to purchase directly from its members, the Promoting Body must sign a binding contract with each registered producer or with the Producer Organization that represents them. The contract must include at least the following:

- reference to Fairtrade as an integral part of the contract
- date of the contract
- duration of the contract
- product description
- agreed volumes
- quality specifications of the product
- prices, with reference to specific Fairtrade prices and premiums
- terms and conditions of payments
- reference to sourcing plans
- terms and conditions of purchase and delivery
- description of any prefinance mechanism
- definition of "Force majeure"
- description of mechanisms for dispute resolution
- description of all inputs and services provided and indication of any deductions that may be relevant as a result of the provision of these inputs and services.

The Promoting Body must ensure that a written contract exists for products bought and sold under this standard. Responsibility for drawing up the contract should rest on the Promoting Body, unless otherwise demanded by the registered producers.

The Promoting Body ensures that the registered producers know and understand the terms of the contract and the Fairtrade conditions. This should be done by providing the contract in a language that the registered producers understand and by providing verbal explanation of the contract were required. If a contract is only signed with the Producer Organization, then at least a verbal explanation of the contract has to be provided to the registered producers.

A mechanism for arbitration written into contracts between registered producers and the Promoting Body is also required.

A2.4.1.2 The written contract between the registered producers and the Promoting Body does not restrict any registered producer in their sales to other buyers. The Promoting Body must not offer to buy certified products from a registered producer on condition that the registered producer sells a quantity of non-certified product under terms that are distinctly disadvantageous to the registered producer.

Purchases by the Promoting Body must never restrict registered producers' sales to other buyers.

The purchase of non-certified products under terms that are distinctly disadvantageous to the registered producer must never be undertaken as a condition for purchases of certified product. The certifier will determine whether any given transaction can be considered as "distinctly disadvantageous".

Registered producers that feel they have experienced disadvantageous practices or been restricted in their sales to other buyers by the Promoting Body should document their concerns and send these as a complaint to the certification body.

A2.4.1.3 Where the Promoting Body provides credit or prefinance, any interest rates or conditions attached to this provision must be agreed with the registered producers in advance. Interest rates should not exceed the lender's current cost of borrowing (including administrative costs) and the Promoting Body is encouraged to make these provisions available on better terms (at lower rates of interest) to the producers.

The Promoting Body is allowed to charge interest on the pre-financed amount. The interest rate must not exceed the lender's cost of borrowing. Both parties must agree on the level of interest that is charged on the pre-financed amount.

Agreement on the interest rate may include consideration of any administrative costs that have been incurred by the lender in organizing and delivering the pre-finance.

Interest charges on the pre-financed value must be agreed by both the buyer and the registered producer.

A3. Environmental development

Intent

The Promoting Body ensures that the Producer Organizations and their members protect the natural environment and helps the registered producers make environmental protection a part of farm management. The Promoting Body is expected to facilitate the development, implementation and monitoring of the registered producers' Organizational Development Plan with the aim of establishing a balance between environmental protection and business results through the use of a combination of measures such as crop rotation, cultivation techniques, crop selection, careful use of inputs such as fertilizers and pesticides and, as relevant, shade production. The Promoting Body ensures that the registered producers minimize the use of synthetic and other off-farm fertilizers and pesticides,

partially and gradually replacing them with non-synthetic and on-farm fertilizers and biological methods of disease control. FLO encourages Promoting Bodies and registered producers to work towards organic practices where socially and economically practical. Registered producers are encouraged to minimize the use of energy, especially energy from non-renewable sources. The Promoting Body is expected to maintain a management system consistent with the size of its operations in order to ensure control of those areas for which it is responsible and to monitor production by the registered producers through the use of recognized inspection and verification methodologies.

A3.1 Minimum requirements

A3.1.1 A person within the Promoting Body is given responsibility for ensuring the development of a plan giving details on how to comply with the environmental part of these standards.

A resource person, or preferably a management team is needed to oversee that production and on-farm processing operations are meeting the requirements of the standard, contained in part A3 and B3.

A3.2 Progress Requirements

A3.2.1 Within one year of certification the Promoting Body has a plan for the improvement of the environmental and agricultural practices of the registered producers.

The Promoting Body with the help of the registered producers should identify all of the aspects that it will monitor and improve over time in line with these standards.

Within one year of certification an initial Environmental Plan exists which includes:

- *An awareness plan including subjects discussed, activities and dates are clearly explained, so that registered producers are made aware of their responsibilities towards the environment and the environmental objectives of this standard.*
- *Plan of current and projected use of land, including a description of:*
 - (a) conservation areas;*
 - (b) natural habitats;*
 - (c) water bodies and watershed recharge areas*
- *Education and control system for agrochemical use, including:*
 - (a) a program to raise awareness on the FLO prohibited materials list (PML) and in the safe use, handling and disposal of pesticides;*
 - (b) a methodology to measure and record pesticide consumption by registered producers and a system by which registered producers can set goals on pesticide use reduction*
- *Education and control system concerning soil erosion including:*
 - (a) the identification of land which is at risk of erosion or where erosive conditions occur;*
 - (b) description of remedial actions which have been initiated;*
 - (c) a plan with specific activities and timelines for implementing an education and control system concerning soil erosion*
- *Education and control system concerning soil fertility including:*
 - (a) the identification of land with loss of fertility;*
 - (b) description of remedial actions which have been initiated;*
 - (c) a plan with specific activities and timelines for implementing an education and control system concerning soil fertility*

A3.2.2 Within three years of certification the Promoting Body will monitor and report on performance objectives of the Environmental Plan

In the Environmental Plan, the Promoting Body identifies the areas and activities to monitor for the improvement environmental and agricultural practices of the registered producers. Within three years from certification, the Promoting Body will have to effectively monitor and report on the different aspects of the plan.

A4. Labour Conditions

Intent

FLO regards the ILO Conventions as the authority on working conditions and expects the Promoting Bodies to meet the ILO requirements as far as possible.

A4.1 Freedom of labour

Intent

FLO follows ILO Conventions 29, 105, 138 and 182 on child labour and forced labour. Forced or bonded labour must not occur. Bonded labour can be the result of different forms of debt owed by the workers to a company or to intermediaries.

A4.1.1 Minimum requirements

There are no minimum requirements.

A4.1.2 Progress requirements

A4.1.2.1 The Promoting Body makes the Producer Organization(s) and the registered producers aware of the ILO conventions and encourages them to follow these with regard to their labour force.

This requirement refers to ILO conventions 29, 105, 138 and 182 on child labour and forced labour.

A4.2 Freedom from discrimination

Intent

FLO follows ILO Convention 111 on ending discrimination of workers. The Convention rejects “any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation” (Art. 1).

A4.2.1 Minimum requirements

There are no minimum requirements.

A4.2.2 Progress requirements

A4.2.2.1 The Promoting Body is responsible to make the producers aware of the laws relating to sexual harassment. If there are no such laws, the Promoting Body is responsible to draft a suitable policy in this regard and to make all producers aware of the same.

This requirement refers to ILO conventions 111 on discrimination in employment.

Part B: Requirements applicable to the Producer Organizations and the registered producers

The following requirements apply to the registered producers and the Producer Organizations that represent them. As certificate holder, the Promoting Body takes responsibility for supporting the registered producers to meet these standards and is held accountable for the compliance to these requirements.

B1. Social development

B1.1 Fairtrade adds to development

Intent

The beneficiaries of Fairtrade within this standard are the registered producers (and their families) contracted and/or supported by the Promoting Body.

Fairtrade should lead to the demonstrable empowerment and environmentally sustainable social and economical development of the registered producers, and through them of the workers employed by the producers or their organization, and the surrounding community.

B1.1.1 Minimum requirements

B1.1.1.1 The registered producers indicate their interest in and commitment to participating in Fairtrade and to reach a type of organization of their own choice over time that is able to comply with the Generic Fairtrade Standards for Small Producers' Organizations and to cooperate with the Promoting Body in this regard.

The registered producers should have basic knowledge of the Fairtrade concept. In particular, the Promoting Body must make sure the producers are aware of:

- *the benefits of Fairtrade, especially the Fairtrade Minimum Price and Fairtrade Premium,*
- *the rights and duties of the Promoting Body and of the registered producers and*
- *the implications on organizational development, the concept of the Producer Executive Body and the need to form over time strong producer organizations.*

The Promoting Body undertakes the necessary efforts to inform and train the registered producers. All training and information activities should be recorded. Records can include information on topics discussed, names of attendees and trainers, time, duration and location.

B1.2 Fairtrade products are sourced from Small Producers

Intent

The majority of the registered producers are small producers.

B1.2.1 Minimum requirements

B1.2.1.1 The majority of the registered producers are small producers.

More than 50% of the registered producers must be small producers.

B1.3 Democracy, participation and transparency

Intent

Organization is an instrument for the social and economic development of the registered producers and the benefits of Fairtrade must reach the registered producers and their families. Therefore, the registered producers, with support from the Promoting Body, must organize into a Producer

Organization with democratic structures and a transparent administration, enabling effective control by its members.

The Producer Organization strives to improve its structures and practices continuously in order to maximize the participation of members and their sense of ownership of the Producer Organization.

B1.3.1 Minimum requirements

B1.3.1.1 The Producer Executive Body (PEB) ensures that it presents the annual report and accounts on the progress made according to the Organizational Development Plan (ODP) and on the use of the Fairtrade Premium to the registered producers each year.

The PEB ensures that the registered producers are regularly informed about the progress made according to the ODP and about administration and use of the Fairtrade Premium by presenting at the end of each business year at least:

- *a report on the trainings and activities carried out, and especially on the progress of existing Fairtrade Premium projects,*
- *a financial report on Fairtrade Premium income, expenditure and balance,*
- *the Fairtrade Premium workplan for the next year and*
- *the planned activities and objectives laid down in the ODP for the next year*

Reports to the registered producers shall be given in a way that is easily understandable by all. All reports should be made available to the registered producers upon request at any time.

The PEB is accountable to all the registered producers on the use of the Fairtrade Premium.

With support from the Promoting Body, the PEB ensures that the registered producers are aware of the content and implications of the ODP, as well as of the purpose of the Fairtrade Premium, and of the system by which the Fairtrade Premium receipts and expenses are accounted for to facilitate external auditing.

B1.3.1.2 There is an established communication and feedback system between the registered producers and the Producer Executive Body (PEB).

The decisions taken by the PEB should be shared with the registered producers through an appropriate information flow system after each PEB meeting. There is also an established feedback system so that the concerns from the registered producers are passed back to the PEB regularly.

The PEB and the registered producers jointly decide on how information and concerns can be exchanged in a regular manner between them. Meetings between PEB members and registered producers should be held on a regular basis and properly documented.

B1.3.2 Progress requirements

B1.3.2.1 The registered producers organise into a formal Producer Organization in accordance with the Organization Development Plan.

It is expected that the registered producers organise themselves into one or several formal Producer Organizations.

The steps and timelines to achieve this are specified in the ODP.

It is expected that the Producer Organization strengthens itself over time and that commitment and participation of its members increases.

B1.3.2.2 The Producer Organization(s), together with the Promoting Body, updates the Organizational Development Plan, clearly setting out the steps, timeframes and activities to become compliant with the Generic Fairtrade Standards for Small Producers' Organizations.

The Organizational Development Plan must be explained and discussed with the registered producers and be updated each year. The level of involvement of the registered producers is expected to improve over time.

The Promoting Body should not impose its views in the development of the plan but should facilitate the process and guide, assist and support the PEB and registered producers, by sharing its knowledge, experience and connections.

B1.3.2.3 The Producer Organization(s) improves its capacity to administer its activities and operations.

The steps needed to improve its capacities are included in the ODP.

The PB is responsible for providing the necessary training and capacity building for the Producer Organization to achieve its objectives.

B1.3.2.4 The Producer Organization takes ongoing measures to review the members' commitment to the organization and to promote their participation in the Producer Organization's administration and internal control, through training and education, as made available by or through the Promoting Body.

As part of the regular planning of organizational matters, it is expected that the Producer Organization's management, PEB members and eventual staff will review the commitment of the members to the Organization and take steps to improve their participation. This should be done on an ongoing basis.

Possible indicators for self-assessment include the level of membership fees, the level of member participation at General Assemblies and any other organizational structures.

The Promoting Body is required to provide the necessary training, capacity building and education on business administration, internal control and other relevant topics to the registered producers in order to increase their understanding and awareness of the operations of their Producer Organization and hence enable them to participate more actively in the development of the organization and its administration. The amount of training and education provided depends on the registered producers' needs, in accordance with the ODP.

B1.4 Non Discrimination

Intent

FLO follows the Universal Declaration of Human Rights on ending discrimination. The Declaration rejects "distinction of any kind such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status" (art 2). FLO expects the registered producers and their Producer Organization(s) to apply these principles.

As the Generic Fairtrade Standards for Contract Production are a voluntary social standard aiming to support the development of its beneficiaries, the "positive discrimination" of small producers or members of disadvantaged or minority groups is intended.

B1.4.1 Minimum requirements

B1.4.1.1 The registered producers and the Producer Organization(s) do not discriminate against or restrict membership on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin. There must be no discrimination regarding participation, voting rights, the right to be elected, access to markets, training or technical support, or any other benefit of participation in this scheme.

Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

Where particular forms of discrimination exist within an economic sector or geographical region, the Producer Organization is expected to show progress towards removing them.

Who may become a registered producer or member of the Producer Organization, and the process for joining, must be made explicit. These may not include restrictions that discriminate against particular social groups on the grounds listed in the standard.

B1.4.2 Progress requirements

B1.4.2.1 The Producer Organization identifies disadvantaged or minority groups within the Producer Organization(s) and puts in place programs to improve the social and economic position of those groups, particularly with respect to recruitment, organizational staff and Producer Executive Body membership.

The Producer Organization is expected to show how they directly supports members from disadvantaged or minority groups to participate actively in the organization, e.g. by assuming organizational responsibilities. The organization must identify disadvantaged/ minority groups according to e.g. income, land area, age, and gender. Special attention should be given to the participation of female members. The applicability of this requirement depends on the size of the Producer Organization and the number of members.

B2. Economic development

B2.1 Fairtrade Price

Intent

The Fairtrade Minimum Price is a core benefit of the Fairtrade system for producers. Fairtrade Minimum Prices are meant to protect and reduce the risks for producers in the event that market prices fall.

B2.1.1 Minimum requirements

There are no minimum requirements.

B2.2 Fairtrade Premium

Intent

The Fairtrade Premium is an amount paid to the Producer Organization in addition to the payment for their product. The Fairtrade Premium is a tool for development, supporting the organization to realize its development objectives as laid down in the Organizational Development Plan. It is meant for investment in the social, economic and environmentally-sustainable development of the Producer Organization and its members, and through them, their families, workers and surrounding community. It is for the Producer Organization and its members, with support from the Promoting Body to analyze and evaluate the possible options for spending the Fairtrade Premium. Choices should be made and priorities set depending on the specific situation of the Producer Organization and the available amount of Fairtrade Premium. Decisions on the use of the Fairtrade Premium are taken democratically by the registered producers, following principles of transparency and participation. It is the joint responsibility of the Producer Organization and its members to take wise and fair decisions.

B2.2.1 Minimum requirements

B2.2.1.1 The use of the Fairtrade Premium is decided by the Producer Executive Body in a democratic and transparent manner, and properly documented.

All registered producers can propose specific uses of the Fairtrade Premium to the Producer Executive Body.

The PEB is responsible for vetting and approving the proposals after a consultative process with all registered producers. The PEB then decides on the use of the Fairtrade Premium by approving the Fairtrade Premium plan. The needs of all groups (including workers) should be taken into account as far as possible.

“Transparency” also means that information regarding the status of the Fairtrade Premium must be accessible to members within a reasonable timeframe.

B2.2.1.2 The Producer Executive Body acknowledges in writing receipt of the Fairtrade Premium.

B2.2.2 Progress requirements

B2.2.2.1 The Producer Organization(s), with the support from the Promoting Body, is gradually taking over full responsibility for the handling of the Fairtrade Premium funds.

The Producer Executive Body, and later the Producer Organization(s), should develop its capacities to manage all issues related to the Fairtrade Premium, including the decision making process on Fairtrade Premium use, the implementation of these decisions and administrating the accounts and records.

B2.2.2.2 The Producer Organization, with support from the Promoting Body if needed, develops a Premium Plan and budget.

The Fairtrade Premium Plan is an important component of the Organizational Development Plan. All registered producers are able to submit proposals on the use of the Fairtrade Premium. Based on these, the Producer Organization, through the Producer Executive Body, develops the Fairtrade Premium Plan.

It is expected that participation of the registered producers are in the drafting of the Fairtrade Premium Plan increases overtime.

The Fairtrade Premium Plan should be shared with all registered producers.

B2.3 Economic strengthening of the organization

Intent

Over time it is expected that being part of Fairtrade acts as a support to the Producer Organization(s) such that it becomes stronger and more economically sustainable, The degree of progress expected depends on the level of economic benefits the organization receives from Fairtrade, the targets laid down in the Organizational Development Plan and on its specific context.

B2.3.1 Minimum requirements

There are no minimum requirements

B2.3.2 Progress requirements

B2.3.2.1 The Producer Organization should take gradual steps to assume more control over the trading process and to negotiate the terms of trade of its produce with the buyers.

To strengthen the organization itself and its position in trade business the Producer Organization is expected to gain more knowledge of the supply chain and to take gradual steps to assume more control over the trading process.

Direct communication and negotiation with buyers, having service contracts with exporters who export on behalf of the Producer Organization (where applicable), or adding value by establishing processing facilities and/ or shared ownership with other producer organizations (horizontal integration) may be strategies for gradually assuming more control over the trading process and supply chain. However, the appropriate timelines for this, and the extent of control gained over the trading process will be determined by the scale of the operation and the business strategy of the Producer Organization, as defined in the Organizational Development Plan.

B2.3.2.2 The Producer Organization(s) develops its business related operations and works to maximise the return to its members.

As a result of constant learning, training of members and staff, high commitment of members and good planning, the Producer Organization will be able to work more efficiently and to maximize the return to its members.

This may be through e.g. more Fairtrade sales, more benefits to members, reduced cost in operation, increasingly skilled management and staff, the building up of working capital, implementation of quality control training/education and risk management, systems and collaboration or even shared ownership (horizontal integration) with other producer organizations.

In particular, the Producer Organization is able to organise efficiently the marketing of their product, for example by facilitating the access of the products to the buyers at minimum costs and within the timeframe allowed by the trade.

With support from the Promoting Body, the Producer Organization over time develops and implements the necessary procedures or infrastructures to maximize efficiency in delivering the product and to minimize the costs.

B3. Environmental development

Intent

The Producer Organizations and their members are expected to protect the natural environment and to make environmental protection a part of farm management. The Producer Organization, with support from the Promoting Body, is expected to facilitate the development, implementation and monitoring of the registered producers' Organizational Development Plan with the aim of establishing a balance between environmental protection and business results, through the use of a combination of measures such as crop rotation, cultivation techniques, crop selection, careful use of inputs such as fertilizers and pesticides and, as relevant, shade production. The registered producers should work towards minimizing the use of synthetic and other off-farm fertilizers and pesticides, partially and gradually replacing them with non-synthetic and on-farm fertilizers and biological methods of disease control. FLO encourages Producer Organizations and the registered producers to work towards organic practices where socially and economically practical. Registered producers are encouraged to minimize the use of energy, especially energy from non-renewable sources. The Producer Organization is expected to implement a management system consistent with the size of its operations in order to ensure control of those areas for which it is responsible and to monitor production by the registered producers through the use of recognized inspection and verification methodologies.

B3.1 Minimum requirements

B3.1.1 For certified products, no plant material is gathered from protected areas or is propagated in contravention of national and international regulations.

The Promoting Body must ensure that the registered producers are able to prove the source of their planting stock (all plant material excluding seeds).

B3.1.2 Materials on the FLO Prohibited Materials List may not be used or otherwise sold, handled, or distributed by the Promoting Body and the registered producers.

FLO publishes a list of materials that cannot be used, comprising data from the WHO Class I A&B, PAN's 'Dirty Dozen' and FAO/ UNEP Prior Informed Consent Procedure Lists plus FLO specific additional materials. The FLO Prohibited Materials List is an integral part of this standard. The FLO Prohibited Materials List stipulates which materials are prohibited for all products and which are prohibited for specific products.

Toxic chemicals that persist in the environment are a threat to all species inhabiting the region. They circulate through water supplies, soils, plants, and animals, often creating cumulative toxic effects. The use of such

chemicals is contrary to Fairtrade's objectives and standards for environmental protection and human safety. A range of alternatives to the chemicals on these lists exists; if a registered producer or Promoting Body cannot find a suitable alternative, it is a sign that the overall plan for land use and crop production should be reviewed.

B3.1.3 The use of the exceptionally allowed materials are minimized and undertaken only in case of definite need, in appropriate Health and Safety conditions and using advanced techniques. An appropriate plan and record to substitute these materials must be developed and operated. Evidence of need must be demonstrated by the Promoting Body.

This requirement only applies to the materials that are exceptionally allowed in certain products and in certain countries, as specified in the FLO Prohibited Materials List.

The Promoting Body shall demonstrate on the basis of credible evidence the definite need to use the exceptionally allowed materials. Exceptions are reviewed periodically by the certification body.

B3.1.4 Agrochemicals are used, handled and stored correctly according to their specific characteristics (toxicity) in order to avoid danger to people and the environment.

The Promoting Body ensures that agrochemicals are applied only by persons who take part in an education and control system as described below.

The Promoting Body should develop an internal education and control system for agrochemical issues. The plan developed by the Promoting Body should specify an estimated timeline for implementing such a system. The internal control system should ensure at a minimum that:

- *the Promoting Body has a procedure for identifying all of the chemicals potentially in use by registered producers and a means of periodically verifying this,*
- *registered producers are educated as to the effects to human health of each chemical (through whatever exposure), and best practices for avoiding such exposure,*
- *re-entry times appropriate to the type of biocide and crop-specific conditions are made known, with efficient mechanisms for notifying registered producers and the community in case of aerial sprayings,*
- *registered producers have a way of communicating real mishaps (i.e., unintentional use or accidental exposures, spills, etc.) to the Promoting Body without fear of undue hardship,*
- *the Promoting Body has a way of recording infractions and implementing remedial actions.*

Communal storerooms for agrochemicals should be locked and accessible only by authorized personnel.

B3.1.5 The Promoting Body and registered producers ensure that all agrochemical products and packages are clearly labelled.

Storage of agrochemicals should be in the original container.

It is expected that producers follow instructions provided by the manufacturer of the agrochemicals.

B3.1.6 All agrochemicals used by the registered members are only used for the Fairtrade crops for which they are specifically labelled and/or registered in the producer's country.

The Promoting Body should have an awareness-raising program in place to ensure producers receive the appropriate guidance to be able to comply with this standard.

Agrochemicals are only used for the crops for which they are specifically labelled and/or registered in the producer's country.

B3.1.7 The Promoting Body and the registered producers maintain safe storage and disposal of all agrochemicals and their containers.

The Promoting Body should have an awareness-raising program in place to ensure producers receive appropriate guidance to be able to comply with this standard.

The Environmental Plan should specify an estimated timeline for implementing the awareness-raising program and the actions to become compliant with this standard.

Registered producers should have a safe means of disposal for used containers or leftover materials no longer in use, and the organization should make it known to producers what their individual options are. The Promoting Body should control and restrict reuse of agrochemical bags and containers: these should not be used for food and product storage/transport. All potentially hazardous containers (e.g. pesticide-treated bags) should be included in the Environmental Plan.

B3.1.8 The Promoting Body, registered producers or subcontractors avoid air spraying of agrochemicals over rivers and other water sources of significant size.

B3.1.9 The registered producers do not grow any GM products.

Genetically engineered seed or planting stock should not be used. If certain members or parts of the organization also produce products that are not destined for sale under Fairtrade conditions, none of those products may be GMOs.

B3.2 Progress requirements

B3.2.1 The registered producers have undertaken procedures and practices designed to reduce and/or prevent soil erosion caused by wind, water, and/or human or animal impact.

The conservation of soil is a primary tenet of sustainable agricultural production. Soil serves as the basis of human livelihood and should be protected to the maximum extent possible.

The Promoting Body should set up an education and control system concerning soil erosion, so that awareness is raised and actions are taken to become compliant with this standard. The Environmental Plan should specify an estimated timeline for implementing such a system.

The system should ensure that:

- *The Promoting Body evaluates the possible causes of erosion on any of the land or affected water resources under its scope where Fairtrade products are produced.*
- *All plots should be inspected by the Promoting Body and existing problems identified and documented. Remedial actions appropriate to the problem should be agreed and followed up on a pre-decided timeline to ensure that the situation is improved.*
- *Land that is at risk of erosion is noted by the Promoting Body and monitored regularly to ensure that activities or phenomena (e.g. grazing, tillage, bare areas, water runoff) do not result in the creation of erosive conditions. Remedial actions appropriate to the problem should be agreed and followed up on a pre-decided timeline to ensure that the situation is improved.*

B3.2.2 The registered producers have undertaken procedures and practices designed to enhance soil fertility.

Understanding of the basic agronomic principles of tillage and irrigation practices, building of soil fertility and crop rotation (as applicable) should be part of every organization's operating plan.

The Promoting Body should set up an education and control system concerning soil fertility, so that awareness is raised and actions are taken to become compliant with this standard. The Environmental Plan should specify an estimated timeline for implementing such a system.

The system should ensure that:

- *A person or persons with adequate expertise in these areas are part of the Promoting Body support or extension staff. He/she should be able to critically evaluate registered producer' fields and practices and have the authority to recommend or agree with the registered producers the conditions for improvement as appropriate to each situation.*
- *The Promoting Body establishes its own internal guidelines for minimum requirements to ensure increased soil fertility. These requirements are based on techniques / practices that are known to be successful over the long term.*
- *The Promoting Body has a way of monitoring, measuring or otherwise evaluating how registered producers are complying with the standard. The need for corrective measures should be documented and followed up to ensure that improvements are made as required.*

B4. Labour Conditions

Intent

FLO regards the ILO Conventions as the authority on working conditions, and expects the Producer Organization to meet the ILO requirements as far as possible.

Fairtrade should lead to the demonstrable empowerment and environmentally-sustainable social and economic development of the Producer Organization and its members and through them the workers employed by the organization or by the members.

This section is applicable to all workers employed by the Producer Organizations or by the registered producers.

The term “workers” refers to all waged employees of the Producer Organization and of the registered producers. It includes migrant, temporary, seasonal, sub-contracted and permanent workers.

Where family labour of members of the Producer Organization is employed directly by the organization, the term “workers” also includes them.

The term “workers” is not limited to field workers but includes all other hired personnel, e.g. employees working in the organization’s administration.

B4.1 Freedom of Labour

Applicable to all workers employed by the Producer Organization or by the registered producers.

Intent

FLO follows ILO Conventions 29, 105, 138 and 182 on child labour and forced labour. Forced or bonded labour must not occur. Bonded labour can be the result of different forms of debt owed by the workers to a company or to intermediaries.

Children may only work if their work is structured so as to enable them to attend school. For children who work outside of school hours, their work should not be so demanding as to undermine their educational attainment. If children work, they shall not execute tasks that are particularly hazardous for them because of their age.

Family labour in the form of children helping their parents after school and in holidays is not considered as child labour within reasonable limits and if guided by a family member.

B4.1.1 Minimum requirements

B4.1.1.1 Forced labour, including bonded or involuntary prison labour, does not occur.

As defined by ILO conventions 29 and 105, forced labour includes work that is exacted from any person under the menace of any penalty and for which the said person has not offered him or herself voluntarily.

The employer must not retain any part of the workers’ salary, benefits, property or documents in order to force them to remain in that employment. The employer must also refrain from requiring or forcing workers to remain in employment against their will through the use of any physical or psychological measure.

The employer must explain to all workers that each worker is free to leave at any time, giving a due notice period as per his or her contract.

The term 'bonded labour' also refers to workers having received loans from employers, when these loans are subject to unreasonable terms and conditions (such as excessively high interest rates).

B4.1.1.2 No child labour occurs.

Children below the age of 15 are not employed (contracted).

Where children help their parents at individual member level after school and during holidays this is not considered as child labour under the following conditions:

- *The child's work does not jeopardize her or his attendance at school, and is not so demanding as to undermine her or his educational attainment.*
- *The work does not jeopardize the child's social, moral or physical development and does not constitute a hazard to the child's health,*
- *Working hours are maintained within reasonable limits.*
- *A member of the family must supervise and guide the child.*

Where children have worked or been employed in the past, it is expected that the organization has put in place a remediation policy. The objective of the remediation policy is to ensure that any children who once worked for the employer and who no longer do so do not enter into worse forms of work.

Wherever applicable – and particularly in contexts where there is a high likelihood of child labour occurring – the organization considers the underlying social and economic context in its development plan for effectively eliminating child labour. One example of an appropriate response might be to implement community projects to improve children's access to schooling.

B4.1.1.3 Working does not jeopardise the school attendance, the educational attainment, or the social, moral or physical development of the person under 18 years of age.

B4.1.1.4 Persons under 18 years of age shall not be admitted to any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardise their health, safety or morals.

Persons under 18 years of age shall not handle chemicals or perform other duties that constitute a health hazard. Persons under 18 years of age shall not be allowed to undertake work during the night.

B4.1.1.5 Employment of a worker is not conditional on the employment of their spouse. Spouses have the right to work elsewhere.

This also applies where housing is provided to the worker and his/her family.

B4.1.2 Progress requirements

B4.1.2.2 The Producer Organization, with the support from the Promoting Body, is gradually taking over full responsibility to improve the working conditions of the registered producers and their labour force.

B4.2 Freedom from Discrimination

Applicable to all workers employed by Producer Organizations or by the registered producers.

Intent

FLO follows ILO Convention 111 on ending discrimination of workers. The Convention rejects “any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation” (Art. 1).

B4.2.1 Minimum requirements

B4.2.1.1 There is no discrimination on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, membership of unions or other workers’ representative bodies, national extraction or social origin in recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities.

Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

Where discrimination is endemic within a sector or region, the Promoting Body is expected to address this, e.g. within the framework of the employment policy (see. 4.3).

During recruitment, pregnancy, HIV and genetic tests are prohibited.

B4.2.1.2 The employer does not engage in, support or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse.

Where discrimination is endemic within a sector or region the Promoting Body is expected to support the Producer Organizations to establish and implement a clear policy and system to prevent improper disciplinary practice. The policy shall be in line with the principle of non-discrimination. Workers should be aware of this policy. The Promoting Body should have in place an adequate system of records.

B4.2.1.3 The employer does not engage in, support or tolerate behaviour, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.

*Where discrimination is endemic within a sector or region an appropriate policy and system should be put in place to prevent any behaviour that is not in line with this requirement.
The Promoting Body should have in place an adequate system of records.*

B4.3 Employment policy

Applicable to all workers employed by Producer Organizations or by the registered producers.

Intent

Fairtrade benefits should also reach the workers employed by the producer Organization(s) and the registered producers.

B4.3.1 Minimum requirements

There are no minimum requirements.

B4.3.2 Progress requirement

B4.3.2.1 Within six years of certification the Producer Organization, with support from the Promoting Body, has developed an employment policy as part of its development plan (see A1.1.2.1).

With support from the Promoting Body, the Producer Organization starts developing an employment policy by carrying out an assessment on how to improve the working conditions of both its own workers and any workers employed by the registered producers. The assessment should identify the priority needs of workers from the standards sections “Freedom from Discrimination” and “Freedom of Labour”. The Producer Organization may also identify additional areas for improvement.

The implementation of the employment policy could include:

- *The development of awareness-raising tools to support the improvement of working conditions, such as the development of leaflets or visual guides on health and safety issues, or the organization of training workshops for members and workers on workers’ issues.*
- *Taking workers’ needs into account when developing Fairtrade Premium projects (see section A and B2.1 “Fairtrade Premium”).*
- *More advanced organizations can develop and implement internal rules for the registered producers on working conditions.*

The employment policy is consulted upon during the drafting process with the registered producers as well as workers. The level of involvement of workers is expected to improve over time. The employment policy is explained, discussed and agreed annually. Workers’ representatives should be invited to participate. Depending on the number of workers involved, on the strength of the Producer Organization, and on product specific realities, the Producer Organization should consider developing organizational structures to enable the participation of workers in decision-making on the employment policy.